



U.S. Immigration
and Customs
Enforcement

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ICE FINANCIAL INVESTIGATIVE EFFORTS EXPAND TO COMBAT GROWING MONEY LAUNDERING THREATS

WASHINGTON, D.C. – At a ceremony today to unveil the national Money Laundering Threat Assessment, Julie Myers, Department of Homeland Security Assistant Secretary for U.S. Immigration and Customs Enforcement (ICE), highlighted ICE’s innovative efforts and ongoing commitment to combat those money laundering threats identified in the report.

“ICE is proud of its substantial contributions to the government’s first national Money Laundering Threat Assessment. We look forward to working with our partners in formulating a comprehensive strategy to address these threats,” said Assistant Secretary Myers. “Over the past few years, ICE has dramatically expanded its anti-money laundering efforts to address those financial systems most vulnerable to criminal and terrorist exploitation.”

Since ICE was created in 2003, the number of arrests resulting from ICE financial investigations has increased from 1,224 in FY 2003 to 1,567 in FY 2005, while the number of indictments has increased from 865 to 932, and the number of convictions has increased from 703 to 823. In total, ICE financial investigations have resulted in the seizure of more than \$477 million over the past three fiscal years.

The increases stem, in part, from the expansion of ICE’s financial authorities to address human smuggling and other immigration violations. Prior to the creation of ICE, there was no systemic U.S. effort to target the financial infrastructure of human smuggling & trafficking organizations. Today, ICE is combining its financial and immigration authorities in a coordinated campaign against these groups. The amount of assets seized by ICE in these cases has jumped from almost nothing in FY 2003 to \$26.8 million in FY 2005.

ICE has achieved success in its anti-money laundering efforts by using an approach that focuses on the underlying financial systems most vulnerable to exploitation. These systems are all identified in today’s Money Laundering Threat Assessment. Below are examples of how ICE is addressing some of these threats.

Money Services Businesses – For decades, money service businesses (including money transmitters and *hawalas*) have proven vulnerable to criminal exploitation. The USA Patriot Act of 2001 enhanced ICE’s ability to combat the international movement of illicit funds through these businesses by amending the 18 USC 1960 statute. As a result of this law, money service businesses in the United States are required to be registered with the U.S. Treasury Department and be licensed by the appropriate state authorities.

Since the enactment of the USA Patriot Act, ICE agents have used this statute to aggressively target unlicensed money transmittal businesses and underground *hawalas* nationwide, given the substantial vulnerabilities they pose. These investigative efforts have resulted in the arrest of more than 155 individuals and 142 criminal indictments, as well as the seizure of more than \$25 million in illicit profits in connection with unlicensed money transmittal businesses.

Trade-Based Money Laundering – Trade based money laundering encompasses a number of schemes that enable dirty cash to be separated from the crime early in the money laundering process. The most common trade-based money laundering scheme in the Western Hemisphere is the Black Market Peso Exchange (BMPE), in which Colombian drug traffickers swap illicit dollars in the United States for clean pesos in Colombia. Other methods include manipulating trade documents to over-pay or under-pay for imports and exports, and using criminal proceeds to purchase commodities such as gems or precious metals.

ICE leads a multi-agency U.S. initiative to specifically attack the BMPE. ICE has also created a Trade Transparency Unit that uses sophisticated computer systems to analyze trade data and financial information to detect anomalies in international commerce that may be indicative of money laundering. In conjunction with the Departments of State and Treasury, ICE is working with foreign governments to create Trade Transparency Units overseas that facilitate the exchange of trade data to target money laundering.

Last year, for example, ICE helped create the first foreign Trade Transparency Unit in Colombia under the auspices of Plan Colombia. Under this initiative, ICE detailed agents and provided more than 200 computers to Colombian authorities to help them develop a database for the exchange and analysis of trade data. ICE is actively working with the Colombian Trade Transparency Unit on numerous BMPE investigations and is moving to replicate this effort in Colombia with other Central and South American nations.

Bulk Cash Smuggling – The threat posed by bulk cash smuggling is seen by law enforcement at home and abroad as increasingly acute, due in part to the increased anti-money laundering vigilance by U.S. financial institutions. The Department of Homeland Security, through its component agencies ICE and U.S. Customs and Border Protection (CBP), plays a leading role in combating this threat using Title 31 USC 5316 and the bulk cash smuggling statute of the Patriot Act, Title 31 USC 5332.

In recent years, ICE and CBP have launched comprehensive, intelligence-driven operations targeting organizations involved in smuggling of bulk currency. From FY 2003 through FY 2005, ICE agents have arrested more than 260 individuals for bulk cash smuggling, and, together with CBP officials, have seized a combined total of more than \$100 million in cases where bulk cash smuggling was charged.

ICE has also been providing bulk cash smuggling training to law enforcement at home and abroad. In recent years, CBP and ICE have been sharing intelligence and providing training to Mexican Customs officials to combat the smuggling of currency from Mexico to other nations. This special training and intelligence-sharing operation has helped Mexican authorities seize more than \$40 million in smuggled currency. ICE is also working with CBP and the State Department to train authorities in the Middle East, Asia, and Africa.

Industry Outreach and Partnerships -- An effective partnership with the private sector is critical to ICE's efforts in combating financial crimes. Through its Cornerstone initiative, ICE is conducting aggressive anti-money laundering training and outreach with representatives from the private sector. Under this initiative, ICE agents have provided more than 2,800 training presentations at home and abroad that were attended by nearly 50,000 representatives from the private sector, as well as law enforcement and judicial officials.

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U.S. Immigration and Customs Enforcement (ICE) was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of four integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.